



Commercial Union Insurance Companies

789 SHERMAN ST., DENVER, COLORADO 80203

File
ACT/045/010

April 20, 1983

Mr. James W. Smith, Jr.
Coordinator, Mined Land Development
State of Utah
Natural Resources and Energy Division
4241 State Office Building
Salt Lake City, Utah 84114

RE: Bond No. CA 71145-59
McFarland and Hullinger
ACT/045/010
Crystal Mine Tooele County Utah

RECEIVED
APR 26 1983

DIVISION OF
GAS & MINING

JIM
APR 27 1983

Dear Mr. Smith:

As we discussed on the phone and in our correspondence previously, the Commercial Union is not in a position to provide continuing surety credit to this account. We have sent notice of cancellation effective April 16, 1983. This notice of cancellation provides that we will accept no further liability for any future activities by McFarland and Hullinger. We cannot be responsible for any acts or defaults committed after April 16, 1983.

I recognize McFarland and Hullinger would like this Bond kept in force, but they have not met our underwriting requirements and therefore we are not willing to keep this Bond in force. You will note that the agent has returned the pro rata portion of the premium for the period 4/16/83 to 12/17/83.

Again, McFarland and Hullinger has another surety company writing their bonds. Perhaps this company will write this reclamation bond for future activities or McFarland and Hullinger can arrange an acceptable alternate form of security with your division.

Sincerely,

E. Kay Kelly, C.I.C.
Regional Bond Manager,
Rocky Mountain Region

EKK/psd